



COUNCILMEMBER CARL DEMaIO

FIFTH DISTRICT

CITY OF SAN DIEGO

MEMORANDUM

DATE: January 13, 2010

TO: Andrea Tevlin, IBA
Fred Mass, Chairman, CCDC

FROM: Councilmember Carl DeMaio *Carl DeMaio*

RE: Assessing the General Fund Impact from Changes to CCDC's Tax Increment Cap

It is my understanding that the CCDC Board will soon take up the request made by Councilmember Faulconer and I to evaluate increasing CCDC's tax increment limit.

As part of the process, I believe we should explore all available options. To this end, I request that the IBA, with full cooperation from CCDC, present a fiscal analysis of the following options:

- 1) Increasing CCDC's tax increment limit.
- 2) Keeping the tax increment limit as-is.
- 3) Eliminating CCDC before the current tax increment cap is reached (provided that current CCDC debt obligations are satisfied, and thus do not transfer to the General Fund as part of this process).

Specifically, I request that the fiscal analysis include an assessment of the impact to the city's General Fund in each of the scenarios above. Among the questions that should be answered:

- 1) What is the value of General Fund revenues for the next 7 fiscal years that are being diverted from the General Fund to CCDC's redevelopment areas (i.e. the city's original portion of property taxes in the CCDC project areas)?
- 2) If CCDC's tax increment cap were increased, what is the value of revenue that would be diverted from the city's General Fund, and during which fiscal years?

Please do not hesitate to contact my office with any questions regarding this request.

CC: Mayor Jerry Sanders
City Councilmembers